CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY	East Germany	REPORT	25 X 1
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- 1. The Soviet control apparatus, formerly embodied in the SCC, continues to function through a net of advisors, established in the spring and summer of 1954. Such advisors are located in most of the East German Ministries and even at lower levels. The former SAGs, officially turned over to East German jurisdiction, are actually controlled by either two or three Soviet officials who have the title of Produktionsinspektoren, or by separate Konstruktionsbueros which are sometimes in other localities than the SAG itself.
- 2. There are no Soviet advisors in the Chancellory because the Minister President as in direct contact with the Soviet Ambassador, from whom he receives his instruction or direction.
- 3. The following East German agencies have Soviet advisors:
 - a. State Planning Commission Prof. Sniezhko (fnu) is one of eight or ten Soviet officials in this commission.
 - b. Ministry of Finance The number and names of the Soviet advisors was not known.
 - c. Ministry for Heavy Industry The number and names of the advisors was not known.
 - d. Ministry for Machine Construction The number and names of advisors was not known.
- 4. The set-up in the Ministry for Agriculture and Forestry is considered typical of the Soviet control system in all other East German agencies. The four Soviet advisors report directly to, and receive instructions from, the Soviet Embassy. Officially, they consult the German heads of

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the Mihistry, but actually their advice is more in the nature of a polite order. The "consultations" between the Soviet advisors and the German heads of the agency is merely a euphimistic way of relaying Soviet instructions to the Ministry.

- 5. The four advisors of the Ministry for Agriculture and Forestry have had the following functions since August 1954:
 - a. Cheriomushkin, the chief advisor, has overall control and is entrusted with applying the current party line in East German agricultural politics.
 - b. Khlebnikov, supervises the Agricultural Production Cooperatives (LPGs).
 - c. Kudriavtsev, is in charge of the "Staatsgueter" of the East Germany.
 - d. Ageyev, advisor for the mechanisation of agricultural production methods.
- are also in charge of collecting economic intelligence, statistics, patents or blueprints of equipment of both East German and West German manufacture in fields directly or indirectly connected with agriculture. Whether this gathering of information is restricted to the field of agriculture was not known. However, Ageyev has displayed pronounced interest in electric measuring equipment which may or may not be used in electric power stations attached to the MTS. The Soviet advisors for the Ministry of Agriculture and Forestry display considerable interest in the agricultural production figures of East Germany. in comparison with production figures of East Germany.
- 7. The Soviet advisors of the Ministry for Agriculture and Forestry are expected to begin their inspection trips to single localities or farming installations in East Germany during February 1955.
- allegedly the Soviet advisors of the Ministry for Agriculture and Forestry receive their salaries from the Ministry. It was not known whether the advisors received additional salaries in rubles, The gross salary of the chief advisor, Cheriomushkin, amounted to about 3,000 to 3,500 DME, including various expense allowances. In addition: each advisor is provided with a business car; and housing in the Karlshorst compound is paid for by the Ministry. The private home of the chief advisor in the compound was repaired and completely refurnished with Ministry funds which allowed 30,000 DME for this work.
- The German interpreters and frivers assigned to the advisors, though administratively under the Personnel Section, receive their orders from the Soviets and must accompany them at their request.
- 10. It was stated that in the SAGs, even after their return to German jurisdiction and transformation into VEB (Volkseigene Betriebe), there were still small nuclei of Soviet personnel whose offices were within the Direktionen of the VEBs. Allegedly, a supervisory official and a technical expert control or supervise the production output and detemine the production processes. Allegedly, the Konstruktionsbueros of the VEBs are controlled by Soviet personnel and are the actual centers from which production is controlled. Cited were two Konstruktionsbueros in Dresden which allegedly house the actual Soviet control personnel for VEB AMO.

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